



What is Unit Cost?

- The Average Total Cost of Producing One Unit of Output
- Unit Cost Equation: $\text{Total Costs} \div \text{Total Workload}$



Types of Costs

- Direct: Costs Specifically Identified with a Single Output
- Indirect: Costs that are related to Two or More Outputs, but not all Outputs
- G&A: Labor and Nonlabor Costs Not Associated with any Single Output
- Indirect and G&A are Allocated



The Unit Cost Report

- Driven by Cost Account Codes
- Displays Costs and Workload
- Details Costs by Labor and Nonlabor
- Details Labor and Nonlabor Costs by Direct, Indirect, and G&A



Report Information

- Total District Costs (Labor and Nonlabor)
- Total District Costs
(Direct, Indirect, and G&A)
- Total Costs by Output
(Labor and Nonlabor)
- Total Costs by Output
(Direct, Indirect, and G&A)
- Above Information also at CAO Level



Allocations



- Indirect and G&A
- Total Direct Labor Dollars
- Total Direct Labor Dollars by Output
- Create Calculations within Powerplay to Spread Allocations across Outputs



Example: General & Administrative Allocations

Total Direct Labor Dollars: 1000.00

Total G&A Labor Dollars: 500.00

Output #1 150.00

Direct 100.00

G&A 50.00

Total Direct Labor Dollars divided by Direct Labor Dollars for Output #1 (10% Allocation Rate)

Take 10% of Total G&A Dollars and apply it to the G&A Dollars for Output #1 (50.00)





Example: Indirect Allocations

Total Direct Labor Dollars:	1000.00
Total Indirect labor Dollars:	500.00

Output #1:	200.00
Direct	100.00
Indirect	100.00

Output #2:	800.00
Direct	400.00
Indirect	400.00

This example, there are actually 4 Outputs, but Indirect only applies to Outputs 1 & 2

Add Outputs 1 & 2 Direct Dollars (500.00)

Divide Output 1 by Outputs 1 & 2 Total (20%)

Take 20% of Total Indirect Dollars, this is Indirect for
Output #1 (100.00)

Repeat same procedure for Output #2 (80% and 400.00)



Who Creates the Reports?

■ HQ-DLA

■ FOXB

■ Location: Public Server

160.147.213.30

Login : anonymous

Passwd: anonymous

Directory: dcmcuc





Benefits of Unit Cost

- Provides a Capability to Determine Total Costs Traced to Outputs
- Targets Areas Needing Management Attention
- Highlights Operational Efficiency
- Provides Financial Benchmarks for Activity Performance
- Encourages the Consideration of Alternative Methods of Production